



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Approve Special Allocation in the amount of \$1,671,088 for purchase of additional power to meet customer needs

MEETING DATE: September 20, 2000

PREPARED BY: Electric Utility Director

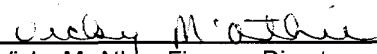
RECOMMENDED ACTION: That the City Council approve the attached Special Allocation in the amount of \$1,671,088 for purchase of additional electric power.


BACKGROUND INFORMATION: The City of Lodi purchases bulk power from the Northern California Power Agency (NCPA) and the Western Area Power Administration (Western) for resale to the city's electric utility customers. During FY1999-2000, the city purchased additional power in order to meet increased customer needs. Customer energy requirements grew at a rate of 8.7%, over double the percentage growth of the previous fiscal year. While the city has access to sufficient generation to meet its needs, high demands require the operation of less efficient generating units and/or purchases from the power market at times of higher cost.

The increased cost of bulk power purchases has been more than offset by a combination of increased sales, Ancillary Services and Reliability Must Run (RMR) revenues. Preliminary sales revenue results alone show an increase of \$2,001,481 over the original budget estimate for FY1999-2000.

FUNDING: Electric Utility Reserve Fund 160

Funding Approval:


Vicky McAthle, Finance Director

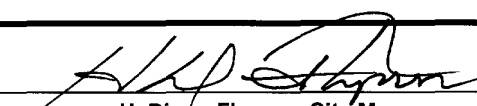

Alan N. Vallow
Electric Utility Director

PREPARED BY: Jack Stone, Manager, Business Planning and Marketing

ANV/JS/lst

C: City Attorney

APPROVED:


H. Dixon Flynn - City Manager

CITY OF LODI
SPECIAL ALLOCATION REQUEST

TO: ACCOUNTING MANAGER
FINANCE DIRECTOR

DATE: September 8, 2000

FROM: ELECTRIC UTILITY DEPARTMENT

PROJECT NUMBER: 160642.8201(800)

Request is made for funds to accomplish the following project, which was not included in the current budget.

TITLE: Bulk Power Purchase

Description of Project	Estimated Costs
The City of Lodi purchases bulk power from the Northern California Power Agency (NCPA) and the Western Area Power Administration (Western) for resale to the city's electric utility customers. During FY1999-2000, the city purchased additional power in order to meet increased customer needs. Customer energy requirements grew at a rate of 8.7%, over double the percentage growth of the previous fiscal year. While the city has access to sufficient generation to meet its needs, high demands require the operation of less efficient generating units and/or purchases from the power market at times of higher cost.	\$1,825,000

The increased cost of bulk power purchases will be more than offset by a combination of increased sales and Reliability Must Run (RMR) revenues.

Alan N. Vallow, Electric Utility Director

(If you need more space, use additional sheet and attach to this form)

Date of Approval: _____	Amount Approved: _____
COUNCIL _____	CITY MANAGER _____
FUND OR ACCOUNT TO BE CHARGED	
Current Budget _____	Reprogram Funds _____
Contingent Fund _____	Fund Balance – G F _____
Capital Outlay Reserve _____	Offset by revenues _____
CIP control account _____	Other: (Specify) _____
Utility Outlay Reserve _____	_____
	Account Number _____

Accounting Manager

Finance Director

Submit this form in duplicate to the Finance Director, Distribution after approval will be as follows:

1) Originating Department

2) Finance Department

RESOLUTION NO. 2000-165

A RESOLUTION OF THE LODI CITY COUNCIL
APPROVING SPECIAL ALLOCATION FOR PURCHASE
OF ADDITIONAL POWER TO MEET CUSTOMER NEEDS

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WHEREAS, the City of Lodi purchases bulk power from the Northern California Power Agency (NCPA) and the Western Area Power Administration (Western) for resale to the City's electric utility customers; and

WHEREAS, during Fiscal Year 1999-2000, the City purchased additional power in order to meet increased customer needs, as the customer energy requirements grew at a rate of 8.7%, over double the percentage growth of the previous fiscal year; and

WHEREAS, staff recommends approval of a Special Allocation in the amount of \$1,671,088 for purchase of additional power to meet customer needs.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council hereby approves a Special Allocation in the amount of \$1,671,088 for purchase of additional power to meet customer needs.

Dated: September 20, 2000

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I hereby certify that Resolution No. 2000-165 was passed and adopted by the City Council of the City of Lodi in a regular meeting held September 20, 2000 by the following vote:

AYES: COUNCIL MEMBERS – Hitchcock, Land, Nakanishi, Pennino and Mayor Mann

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – None


SUSAN J. BLACKSTON
City Clerk